

ER-5-6817

17 June 1954

MEMORANDUM FOR: Colonel White

STATINTL

SUBJECT : [REDACTED] WE Division, Deputy
Director (Plans)

1. It is recommended that you immediately contact the Director's office and request that if the Director receives a request for his authorization to waive the requirements for an Administrative Plan for this project and to waive any requirement for an accounting for the funds paid out, the request not be approved without giving you an opportunity to review and comment on the proposal.

2. The need for prompt action is occasioned by the fact that WE Division stated three days ago in writing that such a request had been submitted to the Director. I do not know what story or explanation has been, or will be, given to the Director, but from my observations of the project, I believe it would be a serious mistake for the Director to grant this authorization. In fact, from what you have told me of the Director's aversion to the word "waiver" I am sure he will not do so if he has full information.

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c. The request that receipts obtained at the time monies are delivered to a recipient be accepted as final accountings of Government funds is basically contrary to Agency policy. Even where adequate accountings are unobtainable, the normal procedure is to wait until the funds have been expended for the purposes for which they were authorized and then to submit a certification to this effect as final accounting. The practice of accepting receipts as final accountings has, in the past, resulted in the disbursement of funds for approved purposes which were never carried

out by anticipating that such funds would, in fact, be expended for the approved purposes they have been written off the financial records of the Agency and have been completely lost from view. Only by chance and the honesty of external individuals have such funds occasionally been returned to CIA.

7. In the event that the Director has already approved this request of WE Division, I nevertheless recommend that you review the case with the Division Chief, and if your findings confirm the above, you reopen the matter with the Director.

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ed: PAPS

SA-DD/A:EDE:mrp (17 June 1954)

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